

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office  
FLOOR DEBATE

April 11, 2005      LB 503

to LB 503. Senator Raikes would move to return the bill to Select File for a specific amendment, AM1046. (Legislative Journal page 1098.)

SENATOR CUDABACK: Senator Raikes, you're recognized on your motion to return for a specific amendment.

SENATOR RAIKES: Thank you, Mr. President, members of the Legislature. This is an issue that is being revisited. You may recall that on Select File we considered and did not adopt an amendment that would have provided school districts additional budget and levy authority to deal with the increased contribution rates for employers in order to make up the state's...well, or the shortfall, I should say, in the retirement funds. That shortfall amounts to about \$15 million per year. About half of that is being made up by increased rates, contribution rates, by employers, and the other half by employees. This amendment, the one I'm asking you to consider is a...what I would consider a compromise amendment on this issue. It would give school districts additional budget authority, but not levy authority, to deal with the retirement contributions that they are...they would be obligated to under LB 503. The approach taken here is, rather than a once and for all increase in the budget base, it is a specific budget exception for the two years. And I hope that you have a handout in front of you which describe...the heading reads, AM1046, and so on. Explains the specific provisions. It would allow for a .74 percent increase in the budget exception, if you will, in 2005-2006 school year, and a .59 percent in the 2006-2007 school year. The budget exception corresponds exactly with the increased contribution rates that are called for. The levy limitations would not be modified under this amendment, proposed amendment. And also, the increased contributions by the employees, not the employers, would also not be reflected. There is a fiscal note. Well, or there a fiscal impact, I should say. Because we would be increasing the spending allowed by school districts by...our estimate is about \$10 million of budget authority in the '05-06 year, about \$8.4 million in the '06-07 year. The increased aid obligation in '07-08 could be as much as \$9 million. And the increased aid obligation in '08-09 could be as much as \$7 million. So there is a fiscal